

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 04/30/12PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

	End of Current Month	End of Prior Month	As of April 13, 2006
2. Asset and Liability Structure			
a. Current Assets	\$95,029	\$96,968	
b. Total Assets	\$95,029	\$96,968	\$122,468,825
c. Current Liabilities	\$3,143	\$240	
d. Total Liabilities	\$3,143	\$240	\$61,634,630
			Cumulative
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month	(Case to Date)
a. Total Receipts	\$0	\$0	\$40,576,057
b. Total Disbursements	\$1,939	\$1,871	\$41,057,260
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	(\$1,939)	(\$1,871)	(\$481,203)
d. Cash Balance Beginning of Month	\$96,968	\$98,839	\$576,231
e. Cash Balance End of Month (c + d)	\$95,029	\$96,968	\$95,029
	Current Month	Prior Month	Cumulative
4. Profit/(Loss) from the Statement of Operations	(\$4,842)	(\$1,614)	(Case to Date)
5. Account Receivables (Pre and Post Petition)	\$0	\$0	(\$38,916,007)
6. Post-Petition Liabilities	\$3,143	\$240	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | _____ | x _____ |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | _____ | x _____ |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | _____ | _____ |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | _____ | x _____ |
| 12. Is the estate insured for replacement cost of assets and for general liability? | _____ | x _____ |
| 13. Are a plan and disclosure statement on file? | x _____ | _____ |
| 14. Was there any post-petition borrowing during this reporting period? | _____ | x _____ |
15. Check if paid: Post-petition taxes X ; U.S. Trustee Quarterly Fees X ; Check if filing is current for: Post-petition tax reporting and tax returns: X .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: May 15, 2012Responsible Individual 

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 04/30/12

Current Month

Actual	Forecast	Variance		Cumulative (Case to Date)	Next Month Forecast
		\$0	Revenues:		
		\$0	1 Gross Sales	\$21,102,796	
\$0	\$0	\$0	2 less: Sales Returns & Allowances		
\$0		\$0	3 Net Sales	\$21,102,796	\$0
\$0	\$0	\$0	4 less: Cost of Goods Sold (Schedule 'B')		
		\$0	5 Gross Profit	\$21,102,796	\$0
		\$0	6 Interest	\$369,663	
		\$0	7 Other Income:	\$8,044	
		\$0	8 Intercompany allocations	\$334,467	
		\$0	9 Gain on Sale of Assets	\$1,609,428	
\$0	\$0	\$0	10 Total Revenues	\$23,424,398	\$0
		\$0	Expenses:		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries	\$1,774,342	
		\$0	13 Commissions	\$140,833	
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property	\$8,861	
		\$0	16 Real Property	\$543,557	
		\$0	17 Insurance	\$71,737	
		\$0	18 Management Fees		
		\$0	19 Depreciation	\$176,590	
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes	\$98,105	
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes	\$59,452	
		\$0	23 Other Selling	\$51,187	
\$1,739		(\$1,739)	24 Other Administrative	\$1,127,169	
		\$0	25 Interest	\$4,556	
		\$0	26 Other Expenses:		
		\$0	27 Loss on Transfer to Trustee	\$37,804,902	
		\$0	28		
		\$0	29		
		\$0	30		
		\$0	31		
		\$0	32		
		\$0	33		
		\$0	34		
\$1,739	\$0	(\$1,739)	35 Total Expenses	\$41,861,291	\$0
(\$1,739)	\$0	(\$1,739)	36 Subtotal	(\$18,436,893)	\$0
(\$2,778)		\$2,778	Reorganization Items:		
		\$0	37 Professional Fees	(\$20,397,420)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
(\$325)		\$325	41 U.S. Trustee Quarterly Fees	(\$81,694)	
		\$0	42		
(\$3,103)	\$0	\$3,103	43 Total Reorganization Items	(\$20,479,114)	\$0
(\$4,842)	\$0		44 Net Profit (Loss) Before Federal & State Taxes	(\$38,916,007)	\$0
		\$0	45 Federal & State Income Taxes		
(\$4,842)	\$0	\$0	46 Net Profit (Loss)	(\$38,916,007)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 04/30/12

Assets

		<u>From Schedules</u>	<u>Market Value¹</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$95,029
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	
4	Inventory	B	
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	_____		
9	Total Current Assets		\$95,029
Property and Equipment (Market Value)			
10	Real property	C	
11	Machinery and equipment	D	
12	Furniture and fixtures	D	
13	Office equipment	D	
14	Leasehold improvements	D	
15	Vehicles	D	
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$0
Other Assets			
22	Loans to shareholders		
23	Loans to affiliates		
24	_____		
25	_____		
26	_____		
27	_____		
28	Total Other Assets		\$0
29	Total Assets		\$95,029

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$3,143
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other:		
42			
43			
44	Total Current Liabilities		\$3,143

Long-Term Post-Petition Debt, Net of Current Portion

45			
46	Total Post-Petition Liabilities		\$3,143

Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F	
48	Priority unsecured claims ¹	F	
49	General unsecured claims ¹	F	
50	Total Pre-Petition Liabilities		\$0
51	Total Liabilities		\$3,143

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		\$38,932,893
53	Capital Stock		\$75,000
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		(\$38,916,007)
56	Post-petition contributions/(distributions) or (draws)		
57			
58	Market value adjustment		
59	Total Equity (Deficit)		\$91,886
60	Total Liabilities and Equity (Deficit)		\$95,029

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days		\$3,143	
31-60 Days		\$0	
61-90 Days		\$0	
91+ Days		\$0	\$0
Total accounts receivable/payable	\$0	\$3,143	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold	
		Inventory Beginning of Month	
		Add -	
Retail/Restaurants -		Net purchase	
Product for resale		Direct labor	
		Manufacturing overhead	
Distribution -		Freight in	
Products for resale		Other:	
Manufacturer -			
Raw Materials			
Work-in-progress			
Finished goods			
Other - Explain			
TOTAL	\$0	Cost of Goods Sold	\$0

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
Monthly _____
Quarterly _____
Semi-annually _____
Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
LIFO cost _____
Lower of cost or market _____
Retail method _____
Other _____
Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed¹</u>	<u>Allowed²</u>
	<u>Amount</u>	<u>Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims		

- (a) List total amount of claims even if under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>	<u>Account 5</u>
Bank	Bank of America				
Account Type	Analyzed Checking				
Account No.	2383				
Account Purpose	General				
Balance, End of Month	\$95,029				
Total Funds on Hand for all Accounts	\$95,029				

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

- 1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified.
- 2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 04/30/12

	Actual Current Month	Cumulative (Case to Date)
Cash Receipts		
1 Rent/Leases Collected		
2 Cash Received from Sales		\$7,861,555
3 Interest Received		\$559,259
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders		\$5,000
6 Capital Contributions		
7 Management Fees from USA Capital Realty Advisors, LLC		\$1,564,093
8 Tax, Security Deposit, and Other Refunds		\$8,929
9 Principal Received on Notes Receivable		\$82,832
10 Escrow Deposit/Sale Proceeds/Effective Date Transfer		\$30,494,389
11		\$0
12 Total Cash Receipts	\$0	\$40,576,057
Cash Disbursements		
13 Payments for Inventory		
14 Selling		\$2,619
15 Administrative	\$1,614	\$1,086,400
16 Capital Expenditures		
17 Principal Payments on Debt		\$150,645
18 Interest Paid		\$4,888
Rent/Lease:		
19 Personal Property		\$9,963
20 Real Property		\$569,426
Amount Paid to Owner(s)/Officer(s)		
21 Salaries		
22 Draws		
23 Commissions/Royalties		
24 Expense Reimbursements		
25 Other		
26 Salaries/Commissions (less employee withholding)		\$1,740,393
27 Management Fees		
Taxes:		
28 Employee Withholding		\$213,091
29 Employer Payroll Taxes		\$94,063
30 Real Property Taxes		
31 Other Taxes		\$78,889
32 Other Cash Outflows:		
33 Professional Fees Paid in Connection with Chapter 11 Case		\$19,784,708
34 U.S. Trustee Quarterly Fees	\$325	\$81,442
35 Escrow Deposit/Interpleader Settlement/Transfer to Trustee		\$10,209,591
36 DTDF & PBGC Settlement		\$7,031,142
37		
38 Total Cash Disbursements:	\$1,939	\$41,057,260
39 Net Increase (Decrease) in Cash	(\$1,939)	(\$481,203)
40 Cash Balance, Beginning of Period	\$96,968	\$576,231
41 Cash Balance, End of Period	\$95,029	\$95,029

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 04/30/12

		Actual	Cumulative
		<u>Current Month</u>	<u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales		\$7,861,555
2	Rent/Leases Collected		
3	Interest Received		\$559,259
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		\$2,619
6	Cash Paid for Administrative Expenses	\$1,614	\$1,086,400
	Cash Paid for Rents/Leases:		
7	Personal Property		\$9,963
8	Real Property		\$569,426
9	Cash Paid for Interest		\$4,888
10	Cash Paid for Net Payroll and Benefits		\$1,740,393
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		\$94,063
17	Employee Withholdings		\$213,091
18	Real Property Taxes		
19	Other Taxes		\$78,889
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC		(\$1,564,093)
22	Tax, Security Deposit, and Other Refunds		(\$8,929)
23	Principal Received on Notes Receivable		(\$82,832)
24			\$0
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$1,614)	\$6,276,936
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		\$19,784,708
30	U.S. Trustee Quarterly Fees	\$325	\$81,442
31	Escrow Deposit & Settlement/Sale Proceeds/Effective Date Transfer/Settlements		(\$13,253,656)
32	Net Cash Provided (Used) by Reorganization Items	(\$325)	(\$6,612,494)
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$1,939)	(\$335,558)
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	(\$145,645)
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$1,939)	(\$481,203)
45	Cash and Cash Equivalents at Beginning of Month	\$96,968	\$576,231
46	Cash and Cash Equivalents at End of Month	\$95,029	\$95,029